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## **APPLICATION OF**

## VIRGINIA-AMERICAN WATER COMPANY

CASE NO. PUE-2002-00375

For a general rate increase

# **HEARING EXAMINER'S RULING**

#### **December 6, 2002**

Virginia-American Water Company ("Virginia-American" or "Company") filed its Application for a general increase in rates on June 24, 2002, and asked that the proposed rates go into effect for service rendered on and after November 22, 2002.

On November 21, 2002, Virginia-American, filed a Motion to Defer Effective Date of Alexandria Rate Increase and Delay Rebuttal Testimony ("Motion to Defer Increase"). Among other things, Virginia-American requested that the current permanent rates in the Alexandria District not be changed pending the Commission's final decision in this proceeding. The Company's Motion to Defer Increase was granted in the Hearing Examiner's Ruling dated November 22, 2002.

On November 25, 2002, Staff filed a Motion to Declare Alexandria District Rates Interim and Subject to Refund ("Staff's Motion"). In testimony prefiled on November 15, 2002, Staff recommended that Alexandria District annual revenues be reduced by \$156,021. Thus, Staff contended Alexandria District's current rates are no longer just and reasonable and should be made interim and subject to refund. On December 4, 2002, Virginia-American filed a Motion to Defer Response to Staff Motion to Declare Alexandria District Rates Interim and Subject to Refund ("Company's Motion to Defer Response"). Virginia-American states it is in negotiations with Staff concerning a stipulation for the disposition of permanent rates in this proceeding for the Alexandria District, and believes that a stipulation will be concluded shortly. Therefore, with Staff's agreement, Virginia-American asks that the date on which it must respond to the Staff's Motion be deferred indefinately.

Based on the pleadings and the representation of Staff's agreement, I find the Company's Motion to Defer Response should be granted.

Alexander F. Skirpan, Jr.
Hearing Examiner